



Sean Rogan
Executive Director

COMMUNITY DEVELOPMENT COMMISSION
of the County of Los Angeles

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March 09, 2010

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

ADOPTED

Community Development Commission

3-D

MARCH 9, 2010

SACHI A. HAMAI
EXECUTIVE OFFICER

Dear Supervisors:

**FUNDING FOR THE GENERAL REHABILITATION OF THE KINGS ROAD SENIOR HOUSING
DEVELOPMENT IN THE CITY OF WEST HOLLYWOOD
(THIRD DISTRICT) (3 VOTES)**

SUBJECT

This letter recommends the transfer of up to \$2,894,410 in Commission General Funds to the Housing Authority to provide funding for general rehabilitation work at the Kings Road senior housing development in the City of West Hollywood, to be paid back to the Commission over ten years at 2% interest. The rehabilitation work will be conducted by Cal-City Construction, Inc. pursuant to a contract with the Housing Authority. This letter relates to an item on the agenda for the Board of Commissioners of the Housing Authority, for approval of the contract.

**IT IS RECOMMENDED THAT YOUR BOARD ACTING AS THE GOVERNING BODY OF THE
COMMUNITY DEVELOPMENT COMMISSION**

Authorize the Executive Director to transfer up to \$2,894,410 in Commission General Funds to the Housing Authority to provide funding for general rehabilitation work at the Kings Road senior housing development in the City of West Hollywood, to be paid back to the Commission over ten years at 2% interest.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The three-story, 106-unit Kings Road senior housing development was constructed in 1980 and needs extensive rehabilitation. This rehabilitation will be partially funded by a loan of Community Development Commission General Funds.

FISCAL IMPACT/FINANCING

There is no impact on the County general fund. The improvements will be funded with \$1,800,000 from Housing Authority funds held by trustee in the Kings Road Operating Reserve account and \$2,894,410 in Community Development Commission General Funds. Housing Authority staff anticipates spending up to approximately \$1.5 million of the total contract sum in Fiscal Year 2009-10, and this amount is included in the Housing Authority's approved Fiscal Year 2009-10 budget. The remaining funds under the contract will be requested through the Housing Authority's Fiscal Year 2010-11 budget approval process.

These two funding sources will cover a contract amount of \$3,912,009 and a 20% contingency, in the amount of \$782,401, which is being set aside for unforeseen costs, using the same source of funds. A 20% contingency is recommended because interior and exterior rehabilitation of housing developments often involves addressing unforeseen or underestimated conditions.

The Commission General Funds will be restricted and reserved as a line of credit to help finance the Kings Road Rehabilitation Project. If no other funds are identified, the Commission General Funds will revert to an internal loan after 12 months from the date of the first withdrawal from the general fund, at a 2% fixed interest rate term loan to be repaid over 10 years. Should additional funds be identified during this time, we will return to your Board for approval upon receipt of those funds.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The improvements are being federally funded, and are not subject to the requirements of the Greater Avenues for Independence (GAIN) Program or the General Relief Opportunity for Work (GROW) Program implemented by the County of Los Angeles. Instead, Cal-City Construction, Inc. will comply with Section 3 of the Housing and Community Development Act of 1968, as amended, which requires that employment and other economic opportunities generated by certain HUD assistance be directed to low- and very low-income persons, particularly to persons who are recipients of HUD housing assistance.

ENVIRONMENTAL DOCUMENTATION

Pursuant to 24 Code of Federal Regulation, Part 58, Section 58.35 (a)(3)(ii), this project is excluded from the National Environmental Policy Act (NEPA), because it involves activities that will not alter existing environmental conditions. It is exempt from the provisions of CEQA, pursuant to State CEQA Guidelines 15301, because it involves negligible or no expansion of use beyond what currently exists and does not have the potential for causing a significant effect on the environment.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The funds will provide for the rehabilitation of the Kings Road senior housing development and provide residents with modernized and Americans with Disabilities Act code-compliant parking lots and adjacent sidewalks, rehabilitated kitchens and bathrooms, a new waterline system, and new interior and exterior finishes.

The Honorable Board of Supervisors
3/9/2010
Page 3

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Sean Rogan", followed by a horizontal line.

SEAN ROGAN
Executive Director

SR:mc:ck